

Memorandum

TAB 72 - REVISED

To: CHAIR AND COMMISSIONERS
CALIFORNIA TRANSPORTATION COMMISSION

CTC Meeting: August 6, 2013

Reference No.: 2.5e.(4)
Action Item

From: 
STEVEN KECK
Acting Chief Financial Officer



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Division Chief
Transportation Programming

Subject: **APPROVAL OF SUPPLEMENTAL FUNDS FOR PREVIOUSLY VOTED PROJECT
RESOLUTION FA-13-06**

RECOMMENDATION:

The California Department of Transportation (Department) recommends that the California Transportation Commission (Commission) allocate \$2,796,000 in American Recovery and Reinvestment Act of 2009 (Recovery Act) - State funds for the State Route 24 Caldecott Tunnel Fourth Bore project (PPNO 0057A) in Alameda and Contra Costa Counties.

ISSUE:

Additional funds are needed for one previously voted multi-funded project in order to complete construction engineering activities.

PROJECT DESCRIPTION:

The project is located on State Route 24 in Alameda and Contra Costa Counties. The main bore project will construct a two-lane fourth bore for the Caldecott Tunnel.

BACKGROUND AND FUNDING STATUS:

At its May 2009 meeting, the Commission allocated Construction funds to the project. The funding plan for Construction Support reported to the Commission at the time of allocation is shown below.

		x1,000
Fund Type		Original Budget
Interregional Improvement Program (IIP)		\$2,700
American Recovery and Reinvestment Act of 2009 (Recovery Act) - Regional		\$17,600
Local funds (CCTA)		\$21,700
Total		\$42,000

In April 2012, the Commission approved supplemental funds to cover a funding shortfall in Construction Capital. To cover a portion of that shortfall, \$3,000,000 Recovery Act- Regional funds were transferred from Construction Support to Construction Capital. This transfer was based upon anticipated savings in Construction Support at that time. However, those anticipated savings failed to

REVISE: State Route 24 Caldecott Tunnel Fourth Bore project (PPNO 0057A)

(Note: Yellow Revised Item replaces this chart that is incorrect in the Original Book Item.)

County	District	PPNO	EA	Element	Const. Year	PM Back	PM Ahead	Route/Corridor					
Alameda	4	0057A	29491	CO	2008-09	5.3 (Ala)	1.3 (CC)	24					
Implementing Agency: (by component)		PA&ED R/W	Department			PS&E CON	Department						
RTPA/CTC:		Metropolitan Transportation Commission											
Project Title:		State Route 24 Caldecott Tunnel Fourth Bore											
Location		Near Oakland, on Route 24 from Route 13 in Alameda County to Gateway Boulevard in Contra Costa County.											
Description:		Construct 2-lane fourth bore for the Caldecott Tunnel, north of existing third bore.											
(DOLLARS IN THOUSANDS)													
FUND	TOTAL	Project Totals by Fiscal Year						Project Totals by Component					
		Prior	10/11	11/12	12/13	13/14	14/15	R/W	CON	PA&ED	PS&E	R/W Supp	CON Supp
Regional Improvement Program (RIP)													
Existing	2,000	2,000									2,000		
Change	0	0									0		
Proposed	2,000	2,000									2,000		
Interregional Improvement Program (IIP)													
Existing	17,965	17,965				0		795		9,000	5,200	270	2,700
Change	0	0				0		0		0	0	0	0
Proposed	17,965	17,965						795		9,000	5,200	270	2,700
State Bond - Corridor Mobility Improvement Account (CMIA)													
Existing	11,043	11,043							11,043				
Change	0	0							0				
Proposed	11,043	11,043							11,043				
ARRA- State													
Existing	73,439	73,439				0			73,439				0
Change	2,796	0				2,796			0				2,796
Proposed	76,235	73,439				2,796			73,439				2,796
Traffic Congestion Relief Program (TCRP)													
Existing	19,978	19,978								9,993	9,985		
Change	0	0								0	0		
Proposed	19,978	19,978								9,993	9,985		
Federal Demonstration (Demo)													
Existing	1,440	1,440							1,440				
Change	0	0							0				
Proposed	1,440	1,440							1,440				
Regional Measure 2													
Existing	42,342	42,342							25,367	1,490	15,485		
Change	0	0							0	0	0		
Proposed	42,342	42,342							25,367	1,490	15,485		
Local Measure J													
Existing	91,755	91,755				0			70,055				21,700
Change	25,605					25,605			19,090				6,515
Proposed	117,360	91,755				25,605			89,145				28,215
ARRA - Regional													
Existing	99,657	99,657							85,057				14,600
Change	0	0							(3,000)				3,000
Proposed	99,657	99,657							82,057				17,600
Total													
Existing	359,619	359,619				0		-795	266,401	20,483	32,670	270	39,000
Change	28,401	0				28,401		0	16,090	0	0	0	12,311
Proposed	388,020	359,619				28,401		795	282,491	20,483	32,670	270	51,311

NOTES: a) With the above described transfer of \$25,605,000, the project reserve has been reduced from \$31,029,615 to \$5,424,615. The funding plan shown above does not include this remaining reserve.

b) The funding plan above reflects the fact that the original \$73,439,000 of CMIA Construction Capital was allocated using ARRA-State funds.

materialize. Therefore, these Recovery Act-Regional funds are being transferred back to Construction Capital **Support**. Local funds will be used to cover that \$3,000,000 shortfall in Construction Capital.

Though the Department is the implementing agency for administering the construction contract, the project co-sponsor Contra Costa Transportation Authority (CCTA) has hired consultants to augment the Department's construction oversight staff and to provide design support during construction. This arrangement was agreed to between the Department and CCTA and documented in the Cooperative Agreement. Funding that supports the Department's Construction Support costs come from the ITIP and the Recovery Act-Regional funds. The costs for the CCTA consultants are being funded directly by the CCTA; the funds are drawn directly from their local funding contribution to the project Construction Support budget. In effect, all of the CCTA construction support funds are not directly available to the Department, rather the equivalent dollar amounts of services are being provided through the CCTA to the project through its consultants. Although the Department has a staffing plan that shows the CCTA consultant staff and their tasks, under this arrangement no verifiable billing or invoicing is processed through the Department.

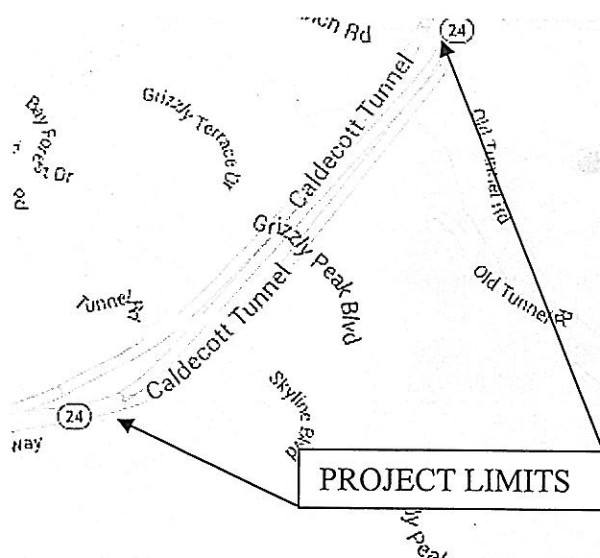
At this time, there is an overall funding shortfall of \$12,311,000 in Construction Support. Out of the \$12,311,000 in shortfall, \$5,796,000 is needed for the activities which will be performed by the Department personnel and \$6,515,000 is needed for activities to be performed by the CCTA consultants.

Out of that \$5,796,000 amount that is needed for the Department, \$3,000,000 will be funded by transferring Recovery Act-Regional funds from Construction Capital as described above. The remaining \$2,796,000 is proposed to be covered with Recovery Act-State funds.

Local funds from the project reserve will be used to cover \$6,515,000 that is needed for the activities which will be performed by the CCTA consultants.

RECOMMENDATION:

The Department recommends that this request for \$2,796,000 be approved to allow the Department to complete construction engineering activities.



REASONS FOR COST INCREASE

The shortfall in Construction Support is primarily due to the following reasons:

- Delays experienced during the excavation and installation of the tunnel support systems have resulted in increased design and construction oversight costs.
- The need to add a training budget for Department personnel. The Department maintenance personnel will be trained to use the newly-installed equipment to maintain, control and operate four tunnels and also to respond in the case of an emergency or other traffic incidents.

Update the Construction Capital funding plan

Furthermore, the project has experienced increase in Construction Capital costs. As a result of encountering additional locations of differing site conditions, revisions to various electrical systems, and additional costs associated with the Operations and Maintenance (OMC) Building, the project construction cost has increased from, \$266,401,000 to \$282,491,000. This \$16,090,000 shortfall is being covered using local funds from the project reserve which currently stands at \$31,029,615.

FUNDING OPTIONS:

OPTION A: Approve this request for \$2,796,000 in supplemental funds that are needed to complete construction engineering activities.

OPTION B: Deny this request. Without a budget, the Department will cease conducting construction oversight activities.

RECOMMENDED OPTION:

The Department recommends that this request of \$2,796,000, as presented in Option A above, be approved to complete construction engineering activities.

RESOLUTION:

Resolved, that ~~\$2,786,000~~ **\$2,796,000** be allocated from the Budget Item 001-0042 **501-0890**, to provide additional construction engineering funds for the project identified below.

Project	Dist-Co-Rte	Funds	Original Approved Budget	Current Approved Budget	Additional Allocation	Revised Budget	% Increase Above Current Budget
1	04-Ala/ CC-24	IIP	\$2,700,000	\$2,700,000	\$0	\$2,700,000	0%
		Recovery Act-Regional	\$17,600,000	\$14,600,000	\$3,000,000	\$17,600,000	20.5%
		Recovery Act-State	\$0	\$0	<u>\$2,796,000</u>	<u>\$2,796,000</u>	N/A
		<u>Local funds</u>	<u>\$21,700,000</u>	<u>\$21,700,000</u>	<u>\$6,515,000</u>	<u>\$28,215,000</u>	<u>30.0%</u>
		Total	\$42,000,000	\$39,000,000	\$12,311,000	\$51,311,000	31.6'

Note:

- \$3,000,000 Recovery Act-Regional is a simple transfer back from Construction Capital. Please see Page 2 for additional explanation.

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CALIFORNIA TRANSPORTATION COMMISSION

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Project # Allocation Amount Recipient <u>RTPA/CTC</u> Dist-Co-Rte Postmile	Project Title Location Project Description	PPNO Program/ Budget Item # Fund Type Program Codes Project ID Adv Phase EA	State Federal Current Amount by Fund Type	State Federal Additional Amount by Fund Type	State Federal Revised Amount by Fund Type
2.5e.(4) Supplemental Funds for Previously Voted Projects			Resolution FA-13-06		
1 \$2,796,000 Department of Transportation <u>MTC</u> Alameda/Contra Costa 04N-Ala/CC-24 Ala 5.3/ CC 1.3	On Route 24 in Alameda and Contra Costa Counties. Route 24/Caldecott Tunnel Fourth Bore (Segment 1) – Construct 2-lane fourth bore north of existing bores. <u>Outcome/Outputs:</u> When combined with other segments (PPNO 0057G and 0057I), the overall Route 24/Caldecott Tunnel Fourth Bore project will result in daily vehicle hours of delay savings of about 10,368 hours. Supplemental Funds needed to complete construction engineering activities. Contribution from other sources: \$45,815,000 (\$17,600,000 [ARRA-Regional], \$28,215,000 [Local funds]). Total Revised Amount for construction engineering: \$51,311,000.	04-0057A IIP 001-0042 SHA 501-0890 ARRA 0400002022 3 264134	\$2,700,000 \$0	\$0 \$2,796,000	\$2,700,000 \$2,796,000

